



New Milford Hospital

Member
NewYork-Presbyterian Healthcare System
Affiliate: Columbia University College of Physicians & Surgeons

21 Elm Street, New Milford, CT 06776

Administration Office

Telephone: 860.350-7200

Fax: 860.350.7297

FACSIMILE

TO: Susan Cole England
CON: Compliance - OHCA

DATE: 8-12-04

TELEPHONE: 860-418-7038

FAX #: 860-418-7053

PAGES: 10 including cover

FROM: Sally F. Herlihy
Vice President, Planning & Marketing

MESSAGE: 860-350-7205

Please find attached an LOI for New Milford Hospital's establishment of a Lithotripsy Service. Hard copy will follow by mail. Thank you.

RECEIVED
SECTION OFFICE OF
HEALTH CARE ACCESS

2004 AUG 12 PM 12:51

CONFIDENTIALITY NOTE

The documents accompanying this telecopy transmission contain confidential or privileged information from New Milford Hospital. The information is intended to be for the use of the individual or entity named on this transmission sheet. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this telecopied information is prohibited. If you have received this telecopy in error, please notify us by telephone immediately so that we can arrange for the retrieval of the original document at no cost to your office. Thank you for your assistance.

RECEIVED



2004 AUG 12 PM 12:52

CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

**State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	New Milford Hospital	
Doing Business As	New Milford Hospital	
Name of Parent Corporation		
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	21 Elm Street New Milford, CT 06776-3029	
Applicant type (e.g., profit/non-profit)	Non-profit Acute Care Hospital	
Contact person, including title or position	Sally Herlihy, Vice President, Planning & Marketing	
Contact person's street mailing address	New Milford Hospital 21 Elm Street New Milford, CT 06776-3029	
Contact person's phone #, fax # and e-mail address	Phone: (860) 250-7205 Fax: (860) 350-7297 E-mail: herlihy@newmilfordhosp.org	

SECTION II. GENERAL APPLICATION INFORMATION**a. Proposal/Project Title:**

Establish a Lithotripsy Service

b. Type of Proposal, please check all that apply:☒ **Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:**

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement | <input type="checkbox"/> Additional (F, S, Fnc) |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

☒ **Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:**

☐ Project expenditure/cost cost greater than \$ 1,000,000

☒ Equipment Acquisition greater than \$ 400,000

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> New | <input type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging | <input type="checkbox"/> Linear Accelerator | |

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

New Milford Hospital
21 Elm Street, New Milford, CT 06776-3029

d. List all the municipalities this project is intended to serve:

This project is intended to serve patients living in the municipalities in the Primary Service Area of the Hospital.

e. Estimated starting date for the project: December 15, 2004

Page 3 of 8
8/12/04

- f. Type of project: **23** (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
N/A				

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: \$ 600,000.00
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$ 0.00
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	
Sales Tax	
Delivery & Installation	
Total Capital Expenditure	\$ 0.00
Fair Market Value of Leased Equipment	600,000.00
Total Capital Cost	\$ 600,000.00

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Lithotripter, together With x-ray control unit, ultrasound control unit and treatment table				\$800,000.00*
				*Estimated

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c., Type of financing or funding source (more than one can be checked):

- ☐ Applicant's Equity
 ☒ Lease Financing
 ☐ Conventional Loan
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding
☐ Funded Depreciation
 ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

- Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
- What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
- Who is the current population served and who is the target population to be served?
- Identify any unmet need and how this project will fulfill that need.
- Are there any similar existing service providers in the proposed geographic area?
- What is the effect of this project on the health care delivery system in the State of Connecticut?
- Who will be responsible for providing the service?
- Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT


**I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)**

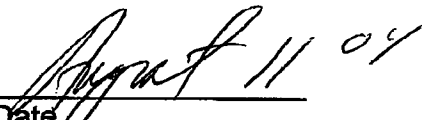
- ☐ This request is for Replacement Equipment.
 - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
 - ☐ The cost of the equipment is not to exceed \$2,000,000.
 - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT**Applicant: New Milford Hospital****Project Title: Establish a Lithotripsy Service**

I, Richard E. Pugh, President of New Milford Hospital, being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that New Milford Hospital complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.


Signature


Date

Subscribed and sworn to before me on August 11, 2004


Notary Public/Commissioner of Superior Court

My commission expires: April 30, 2009

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

Program Description - Establishing a Lithotripsy Service at New Milford

New Milford Hospital (NMH) and members of its medical staff propose to establish a portable lithotripsy service for patients who use New Milford Hospital. This will be accomplished through a contractual management relationship with an outside vendor, United Medical Systems (UMS). UMS is a mobile provider servicing several other Connecticut Hospitals. A transportable lithotripsy unit will be provided as a turnkey program, with UMS staff operating the unit in conjunction with the urologist. All equipment and supplies to perform the procedure are included in the cost per procedure. This leasing arrangement will allow the hospital to offer the service without incurring any fixed cost. Patients would be admitted and discharged through the hospital's One Day Surgery program. New Milford Hospital is a short-term acute care hospital with a license from the Department of Public Health. (A copy of the license is attached as Appendix A). As such, no additional license will be required to provide lithotripsy.

The proposed service will initially be available one day per month with capacity expanded as needed to accommodate increases in patient demand. Urologists on staff at NMH will provide the physician services for the lithotripsy service. They have indicated they currently take patients to an alternate provider location and would prefer to utilize New Milford Hospital to provide these services for residents of the hospital's service area.

The lithotripsy service will augment available care for patients who present with kidney stones and improve the overall quality of care to patients in the region. Kidney stones are one of the most common disorders of the urinary tract. Current studies suggest kidney stones affect between 5.6% and 13% of the US population at some point during their lives. An estimated 1.3 million Americans seek medical help for kidney stones each year. The overall incidence of kidney stones has been increasing over the past 20 years, and potentially could be influenced by dietary changes (increased protein intake).

Service scheduling and availability of physicians is important in building patient volume, as well as frequency of the mobile capability to accommodate growth in patient demand. At a standard use rate of 71.5 lithotripsy procedures per 100,000 populations, and a service area projected population of 98,710, an annualized volume of 71 procedures could be anticipated (6 per month) for a program at New Milford Hospital. An initial P&L has been developed using several different volume scenarios that indicate the program is financially feasible.

Quality guidelines established by the American Lithotripsy Society will be followed as to 1) extracorporeal renal lithotripsy, 2) criteria for patient selection, 3) pre-treatment evaluation, 4) treatment parameters, and 5) post-treatment evaluation.

Other providers of lithotripsy services exist outside of New Milford Hospital's primary service area. These include programs at Danbury Hospital, C. Hungerford Hospital (Urology Center of Northwest Connecticut, LLC and the Winsted campus). Additional programs are available in Waterbury, CT (and most other CT hospitals are providing the service). All residents of the service area currently have to drive elsewhere to receive the services, creating delays and inconvenience.

The hospital anticipates that all existing payers that have contracts with the hospital will be the payer sources for the proposed lithotripsy program.